



Health Services
LOS ANGELES COUNTY

April 10, 2007

Los Angeles County
Board of Supervisors

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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(All Districts Affected - 3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached offer of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual account for a patient who received medical care at a non-County facility under the Trauma Center Service Agreement:

(1) Account Number EMS 99 \$195,000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offer of settlement for patient account (1) is recommended because this is the most the patient's lawyer is willing to pay the County under the tort settlement involved in this case. It is also uncertain whether the County would be able to recover more in a legal action.

The County has entered into a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of this compromise since it will enable DHS to maximize net recovery on this account.

Implementation of Strategic Plan Goal:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of trauma funds totaling approximately \$195,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of this account is not within the Director's authority, so the Director is requesting Board approval of this compromise.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:cm

Attachments

- c. Chief Administrative Officer
- County Counsel
- Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: April 10, 2007

Total Charges (Providing Facility & Physicians)	\$751,633	Account Number	EMS 99
Amount Paid to all Providers	\$100,347	Service Type	Inpatient & Outpatient
Compromise Amount Offered	\$195,000	Date of Service	08/31/2005-10/31/2005 & various outpatient dates of service
		% of Payment Recovered	196%

JUSTIFICATION

This patient was involved in a pedestrian versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$697,672 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$85,950. Several physicians provided outpatient services totaling \$53,961 and received payment in the amount of \$14,397. The patient's third-party claim has been settled and his attorney is proposing to reimburse the County \$195,000. Counsel has reviewed this offer and is recommending its approval to avoid a lengthy legal action which may not be settled in County's favor.